



Executive Office  
County of Riverside

Larry Parrish  
Chief Executive Officer

February 11, 2003

Honorable Board of Supervisors  
County of Riverside  
Robert T. Anderson Administrative Center  
4080 Lemon Street, 5<sup>th</sup> Floor  
Riverside, CA 92501-3651

**REQUIRES  
4/5 VOTE**

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**SUBJECT: Request for County Match for Existing & Additional Child Welfare Social Workers**

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Board Members:

A State study commissioned in April 2000 determined that child welfare services are 100 percent underfunded for the caseload statewide. State officials did not increase funding to meet the study's recommended levels due to fiscal limitations. They did augment funding, recognizing money was inadequate to meet service needs. The added funds are available to counties that use the full base allocation provided by the State. Augmentation funds do not require a local match and Riverside County has used the entire base allocation established in FY01/02 to hire 44 additional FTEs with augmentation funding.

The first quarter budget report noted that the allocation for CWS was increasing based on caseload. This provides more funding for the County but also requires a 16.6 percent local match. It also removes the augmentation funding used to fund the 44 FTEs until the base allocation is fully utilized. DPSS reported in first quarter that they would develop a strategy to balance its budget and would report back at a later date. In December 2002 a DPSS Form 11 requested general fund support for child welfare services. This office thought it prudent to wait until the State budget picture became clear and all the departments' general fund needs were evident prior to submitting this request to the Board. Neither of these items has come into clear focus and DPSS needs to know now what level of general fund support the Board will provide in order to plan appropriately for staffing adjustments.

In the attached Form 11 DPSS requests \$2,038,474 in general fund dollars to utilize as much of the revised allocation as possible to meet the current caseload.

The chart below summarizes the options available to the Board as offered by DPSS:

Additional General Fund	Additional State / Federal Funding	Impact on Service
\$0	(\$7,111,018)	Reduce staff by 44 FTEs.  44 FTEs is equal to more that 90 Social Workers plus support staff this late in the year.  Increase demands on already overburdened staff.
\$1,180,429	None	Will hold staff at current level.
\$2,038,474	\$12,279,965	Will fund existing workforce and 32 new Social Workers and support staff.  This is the most the department believes that they will be able to hire this year.  This level of service is still under funded 100% per the State study.
\$2,951,070	\$17,777,530 +	Will fund existing workforce and 110 additional positions.  Will provide access to augmentation funding to staff even more positions.

The FY03/04 caseload is projected to be lower than the current year. To maximize the full allocation, the general fund match for FY03/04 will be \$2-3 million above the current allocation.

Child Welfare Services has always been a priority of your Board, but as you weigh your decision I want to remind you of the other potential added current year costs highlighted in the mid-year budget report.

<u>\$ millions</u>	
8.0	Hospital Budget Shortfall
4.6	Added retirement safety costs
1.8	Other
<u>14.4</u>	Total

Contingency is currently at \$14.5 million.

I believe it is prudent at this time to commit no more than the \$1.2 million necessary to maintain the current level of service, per Attachment A.

Respectfully submitted,



LARRY PARRISH  
County Executive Officer

Attachment A  
Recommended Budget Adjustment for Request for County Match for Existing &  
Additional Child Welfare Social Workers

Decrease Estimated Revenue

10000-5100100000-750300	State-Public Assistance Admin	\$1,180,429
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Decrease Appropriations

10000-1109000000-581000	Appropriations for Contingency	\$1,180,429
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552  
SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: DPSS

SUBMITTAL DATE: February 3, 2003

SUBJECT: Request for County Match for Existing & Additional Child Welfare Social Workers

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the additional County share required for FY 02/03 CWS basic allocation funding and direct the Auditor-Controller to adjust DPSS' budget and Contingency as follows:  
 Decrease Estimated Revenue for 10000-5100100000-750300 (State - Public Assistance Admin) by \$2,038,474.  
 Decrease Appropriations for 10000-1109000000-581000 (Appropriation for Contingency) by \$2,038,474.

**BACKGROUND:**

The Child Welfare Services Program (CWS) is funded by a caseload driven allocation from the State that is matched by county realignment funds. In FY 1999/2000 the State confirmed by independent study that the CWS program was massively underfunded (approaching 100% underfunding) under the formula then in use. In recognition of this disparity, the State began providing an additional amount of funding, that did not require a county match, to hire more Social Workers and support staff. The only caveat was that counties had to fully spend the basic allocation before they could utilize the augmentation funding.

(Continued on Page 2)

*Dennis J. Boyle*  
Dennis J. Boyle, Director

REQUIRES  
4/5 VOTE

**FINANCIAL DATA:**

<b>CURRENT YEAR COST:</b>	\$12,279,965	<b>ANNUAL COST</b>	\$ 12,279,965
<b>NET COUNTY COST:</b>	\$ 2,038,474	<b>IN CURRENT YEAR BUDGET:</b>	No
		<b>BUDGET ADJUSTMENT:</b>	Yes FOR FY: 02/03

**SOURCE OF FUNDS:** Federal (48.24%), State (35.16%), and County Funds (16.60%)

**C.E.O. RECOMMENDATION:** See Attached Letter

County Executive Officer Signature *[Signature]*

2/6/03  
Reginald...  
Deputy A-C

Department Recommendation:  Consent  Policy  Policy  
Per Executive Office

Prev. Agn. ref.

Dist. ALL

3 AGENDA NO. 30

**BACKGROUND: (Continued)**

Riverside County has fully matched all of the state funding available since 1997, and therefore was eligible for and took advantage of this additional money over the last two years. Last year Riverside County experienced marked growth in the Child Welfare caseload. In response, the State has awarded the County a significant increase in the basic allocation for CWS that requires a county match. This was surprising in light of the state budget situation. Because of the peculiarities of the state allocation methodology, it will require a major policy decision by the Board.

Four factors will affect your decision:

- 1) The required realignment fund match to fully fund the basic allocation available from the State for CWS is increased by \$2,951,070 over last fiscal year. This represents an increase of 110 workers to do the basic work for the caseload recorded in Riverside County last year. This is the level that was determined to be 100% under funded to do the work required.
- 2) This money represents a discretionary expenditure by the county. The Board may choose to spend this money or not. However, the County must fully spend the basic in order to access the additional money the State provides to mitigate the 100% under funding at this formula level.
- 3) Last year's caseloads have been reduced in the current year to a level still above two years prior, but less than the number the increased allocation was based upon.
- 4) I do not believe that an all out recruitment effort would attract sufficient numbers of social workers to expend all the money the State has made available.

Options:

- 1) Continue the same realignment fund match in 2002/2003 as was originally budgeted.

Impact: This amount of realignment results in a loss of \$7,111,018 in total funding. As a result, the current workforce must be reduced through a combination of attrition and layoffs to live within this allocation. Given that there are only five months left in the fiscal year, we would have to eliminate at least 90 social worker positions plus an additional 50 support staff by the end of the month to maintain a balanced budget. This has been brought about because some of the current workers were previously funded without the need for county match. Last year we were eligible to the state workload reduction because we matched the entire basic allocation. This year the basic allocation requires a bigger match.

- 2) Increase the realignment fund match by \$2,951,070 to fully match the available state allocation.

Impact: This would fund the CWS program at the basic level for the caseload recorded last year. This would also allow us to draw down an additional \$6,054,100 in state workload relief money, should we find enough workers to fill all available slots.

- 3a) Increase the realignment fund match by \$1,180,429, which would fund the same number of workers that we had last year.
- 3b) Increase the realignment fund match to \$2,038,474 which will fund the maximum number of qualified workers I project we could bring on board this year.

To: Board of Supervisors  
Subject: **Request for County Match for Existing & Additional  
Child Welfare Social Workers**

Date: February 3, 2003

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**BACKGROUND: (Continued)**

The Child Welfare Program in Riverside County has come a long way since the dark days of 1996 when the Child Welfare League of America described our staffing level as "dangerous for both clients and workers." The workforce has absorbed the unexpected and unfunded workload increase last year, but cannot be expected to carry this increased workload for an extended period of time. At the same time, I cannot recommend investing the County match required to fully expend what the state is willing to have us spend on this program this year. I am afraid that a headlong rush to bring the required staff on board might lower the quality of professionals in our workforce and not be a wise use of our scarce resources.

Instead, I recommend providing \$2,038,474 in county match to draw sufficient state money to fund the existing workforce and 32 new social workers plus support staff that I project we can find qualified candidates for. This will leave the workforce more than 100% underfunded according to the state study. The staffing level for this program should be reevaluated at the end of this fiscal year to see what the caseload trends are and, of course, the impact of the proposed budget for 2003/2004.

The general fund float for this program is subject to return to the county treasury in accordance with the current rules for realignment in three years. However, due to current economic conditions, realignment has not been fully funded in the current year, which creates some uncertainty in predicting whether sufficient revenues will be realized in FY 2005/06 to pay for this growth in expenditures.